



TOWN OF ELSMERE
11 POPLAR AVENUE
ELSMERE, DELAWARE

Phone (302) 998-2215

Fax (302) 998-9920

REQUEST FOR PROPOSALS

PROPOSAL NUMBER 10 - 01

AUDIT SERVICES

**PROPOSALS MUST BE RECEIVED ON OR BEFORE:
FRIDAY, MAY 21, 2010 – 2:00 PM**

PURPOSE:

The Town of Elsmere is seeking to enter into a contract with a Certified Public Accounting Firm to perform the annual audit of the financial statements of the Town of Elsmere. The financial statements are prepared in accordance with Generally Accepted Accounting Principles, and include the major fund statements, minor fund statements, and the consolidation of all funds into the government-wide statements, as well as the Management's Discussion and Analysis section, the Required Supplementary Information Section, and the Supplementary Information Section.

The audit services shall be performed in accordance with generally accepted auditing standards, as promulgated by the American Institute of Certified Public Accountants, and the applicable Governmental Accounting Standards Board pronouncements. The auditor will report on the fair presentation of the financial statements, in conformity with Generally Accepted Accounting Principles

SUBMISSION:

DEADLINE: Proposals must be received in the office of the Town Manager, of the Town of Elsmere, located at # 11 Poplar Avenue, Elsmere, Delaware 19805, by no later than **2:00 pm on Friday, May 21, 2010 at 2:00 pm.**

METHODS: Sealed Proposals may be hand-delivered or mailed to the Town of Elsmere, 11 Poplar Avenue, Elsmere Delaware 19805: Attention: Tina Law, Administrative Assistant.

FAX/EMAIL: Facsimile and electronic mail transmittals are **NOT** acceptable and will not be considered.

REQUIREMENTS:

SUBMITTAL: An original Proposal must be submitted. The Proposal consists of the COMPLETED AND SIGNED Proposal Form and any other required documentation.

SEALED: All Proposals must be returned in a sealed envelope with the Proposal Number clearly marked on the outside. If an overnight delivery service is used, the proposal number clearly marked on the outside of the delivery service envelope.

- REFERENCES:** The Town of Elsmere will require all who submit a proposal to supply with this Proposal, a list of at least three (3) references where like services have been supplied by their firm. Include name of firm, address, telephone number and name of representative.
- LEGIBILITY:** Proposals must be legible and of a quality that can be reproduced.
- LATE PROPOSAL:** Proposals received after submission deadline will not be opened and will be considered void and unacceptable. The Town of Elsmere is not responsible for lateness of mail, courier service, etc.
- RESPONSIBILITY:** Those providing a proposal must affirmatively demonstrate their ability to meet the following requirements:
- a) Have adequate financial resources, or the ability to obtain such resources as required.
 - b) Be able to comply with the required or proposed delivery schedule.
 - c) Have a satisfactory record of performance.
 - d) Be otherwise qualified and eligible to receive an award.
 - e) Possess and maintain throughout the term of the contract should one be awarded, a valid State of Delaware, New Castle County and Town of Elsmere, Business License.
 - f) All services shall be provided during the normal work week (Monday through Friday) between the hours of 8:00am and 4:00pm. Prior approval of the Town Manager must be obtained prior to any work being performed after 4:00pm or on a Saturday or Sunday.

The Town may request representation and other information sufficient to determine proposer's ability to meet these minimum standards listed above.

Award and Funding Out

The awarding or continuation of any contract which may ultimately be awarded is contingent upon funding being appropriated by the Mayor and Council.

- REJECTION OR ACCEPTANCE:** No more than one Proposal will be awarded for the services requested. Proposals may be rejected for some items or areas, even though awards are made for others. The convenience of having a single source for all service is desired and will be taken into consideration together with price in determining the lowest and best Proposal.

It is understood that the Town of Elsmere reserves the right to accept or reject any and/or all Proposals for any or all materials and/or services covered in this Request For Proposal, and to waive informalities or defects in the Proposal or to accept such Proposal it shall deem to be in the best interest of the Town of Elsmere.

PERFORMANCE BOND:

Should a contract be awarded the proposer shall be required to post a performance bond in an amount equal to one-half of the amount of their

proposal.

PROPOSAL: This Proposal, if and when properly accepted by the Town of Elsmere, shall constitute a contract equally binding between the successful Proposer and the Town of Elsmere.

The successful Proposer may be required to sign an additional agreement containing terms necessary to ensure compliance with the Proposal.

PROPOSAL ADMINISTRATION: Under this Proposal, the Town Manager of the Town of Elsmere shall be the proposal administrator with designated responsibility to ensure compliance with Proposal requirements, such as but not limited to, acceptance, inspection and delivery. The Proposal administrator will serve as liaison between the Town of Elsmere and the successful Proposer.

PROPOSAL PERIOD(S): The Initial Proposal Period will be to perform the end of the fiscal year audits for the years ending.

- a. June 30, 2011
- b. June 30, 2012
- c. June 30, 2013

The term may be extended for an additional two years beyond the three-year engagement, based on mutual agreement by and between the auditor and the Town of Elsmere.

MISCELLANEOUS

PAYMENT: Payment shall be made by check from the Town of Elsmere upon satisfactory completion and acceptance of items and submission of the Invoice to the Town for work specified by this Proposal Document. All payments owed will be paid no later than thirty (30) days after the goods or services are received OR the date that the invoice is received by the Town whichever is later.

At a minimum, invoices shall include:

- (1) Name, address, and telephone number of Vendor and similar information in the event the payment is to be made to a different address
- (2) Town of Elsmere Proposal Number, Purchase Order, and/or delivery order number
- (3) Identification of items or service as outlined in the Proposal
- (4) Quantity or quantities, applicable unit prices, total prices, and total amount
- (5) Any additional payment information which may be called for by the PROPOSAL

Payment inquiries should be directed to the Town of Elsmere Finance Department: Attention; Finance Director at 998-2215.

ETHICS: The Proposer shall not accept or offer gifts or anything of value nor enter into any business arrangement with any employee, official or agent of the Town of Elsmere.

DOCUMENTATION: Proposer shall provide, with this Proposal response, all documentation required by this Proposal. Failure to provide this information may result in rejection of the Proposal.

TERMINATION FOR DEFAULT:

The Town of Elsmere reserves the right to enforce the performance of this Proposal in any manner prescribed by law or deemed to be in the best interest of the Town in the event of breach or default of this Proposal. Non-Performance of the Proposer in terms of specifications shall be a basis for the termination of the Proposal by the Town. The Town shall not pay for commodities/services which are unsatisfactory. Proposer will be given a reasonable opportunity before termination to correct the deficiencies. This, however, shall in no way be construed as negating the basis for termination for non-performance.

SILENCE OF SPECIFICATIONS:

The apparent silence of these specifications as to any detail or to the apparent omission from it of a detailed description concerning any point, shall be regarded as meaning that only the best practices are to prevail. All interpretations of these specifications shall be made on the basis of this statement.

COMPLIANCE WITH LAWS:

The successful Proposer shall comply with all applicable federal, state and local laws and regulations pertaining to the practice of the profession and the execution of duties under this Proposal. Proposer must execute an affidavit stating that all of the employees of the Proposer and any Sub-Proposer or Sub-Contractor performing work within the Town of Elsmere in accordance with this proposal are lawfully permitted to be employed in the United States under both federal and state law.

EXCEPTIONS:

Proposers may elect to take minor exceptions to the terms and conditions to this RFP. The Town of Elsmere will evaluate each exception according to the intent of the terms and conditions contained herein, but the Town of Elsmere shall reject exceptions which create inequity in the treatment of Proposers. Exceptions shall only be considered if they are submitted on a separate form entitled exceptions and are submitted in the same envelope as the proposal.

SUBCONTRACTS:

Subcontracting is permitted under this RFP. However, every subcontractor shall be identified in the proposal and agreed to in writing by the Town during the performance the contract should one be awarded. Any substitution in or addition to such subcontractor, associates, or consultants will be subject to the prior written approval of the Town of Elsmere.

The proposer awarded any potential contract by the Town of Elsmere, shall be responsible for the compliance of any subcontractor with all terms, conditions and requirements of this RFP and all Local, State or Federal Laws. The proposer chosen by the Town shall be liable for any non-compliance by any sub-proposer. Further, nothing contained herein or in any subcontractor agreement, shall be construed as creating any contractual relationship between the subcontractor and the Town of Elsmere.

PROPOSAL SPECIFICATIONS

GENERAL INSTRUCTIONS:

All Proposals submitted must be valid for a period of ninety (90) days after Proposal Deadline.

The Proposal shall include all ancillary and auxiliary work deemed by the proposer to be necessary for the completion of the audit (such as "systems evaluation and certification, and similar items), and cost of such work.

The successful Proposal if awarded will become a part of the contract between the Town of Elsmere and the successful Vendor.

Prior to submitting Proposal, Proposers are required to examine the Proposer instructions, specifications and Proposal forms carefully. Failure to do so will be at the Proposers risk.

All costs directly or indirectly related to the preparation of a response to this Proposal or any oral presentation required by the Town of Elsmere to supplement and/or clarify a Proposal shall be the sole responsibility of the Proposer.

I. REPORT REQUIREMENTS:

For financial audits, the auditor shall examine the financial statements and records of the Town of Elsmere and shall issue an auditor's opinion on its financial statements with an opinion on combining and supplementary information, if any. Such financial statements shall be prepared in conformity with generally accepted accounting principles. The auditor will be responsible for preparing and printing 15 copies of the Annual Financial Report, and providing one electronic copy in PDF format..

The auditor shall issue a compliance report based on an audit of general purpose or basic financial statements and a report on the internal control structure; both in accordance with Government Auditing Standards.

The auditor shall prepare and include a statement expressing positive assurance of compliance with State fiscal laws identified by the state auditor and other financial issues related to the expenditure of funds received from Federal, State, or local governments.

The auditor shall prepare a comprehensive management letter including the Town's compliance with laws and regulations as applicable and adherence to generally accepted accounting principles.

Each year's audit report must be submitted to the Mayor and Council of the Town of Elsmere for consideration of acceptance by no later than their regularly scheduled meeting on the Second Thursday of the month of December of each year.

2. AUDIT TERM:

If the selected certified public accounting firm performs satisfactorily for the Year ending June 30, 2011 audit, the same firm will be engaged to perform the audit for the succeeding two years, subject to an annual evaluation by the Town of Elsmere. The term may be extended for an additional two years beyond the three-year engagement based on mutual agreement by and between the auditor and the Town of Elsmere. The contract for audit services will contain a termination clause. The termination clause will allow either party to terminate the contract at any time provided that 90 days advance notice is given.

3. PROPOSAL QUALIFICATION REQUIREMENTS:

Interested certified public accounting firms should include the following information in their proposal to perform the audit services.

a. Profile of the Independent Auditor

The profile of the proposing audit firm should provide general background information. This should include:

1. The organization and size of the proposing audit firm, whether it is local, regional, national or international in operations.
 2. The locations of the office from which the work will be done and the number of professional staff by staff level, employed at the office.
- b. A positive statement that the following mandatory criteria are satisfied:
1. An affirmation that the proposing audit firm is properly licensed for practice as a certified public accountant in the State of Delaware.
 2. An affirmation that the proposing audit firm meets the independence requirements of the American Institute of Certified Public Accountants and the Governmental Auditing Standards, revision, published by the U.S. General Accounting Office.
 3. An affirmation that the firm meets the continuing education and external quality control review requirements contained in the Governmental Auditing Standards, published by the U.S. General Accounting Office.
- c. Statement of the Firm's Qualifications
1. Identify the audit partners, audit managers, field supervisors and other staff who will work on the audit, including staff from other than the local office. Resumes including relevant experience and continuing education for the staff auditors up to the individual with final responsibility for the engagement should be included.
 2. Describe their recent experience in auditing local governments, and preparing audited statements of the type requested in this proposal.
 3. If other auditors are to participate in the audit, those auditors should be required to provide similar information.

4. Provisions of the Firm's Approach to the Examination

Submit a general audit work plan to accomplish the scope defined in these guidelines. The audit work plan should demonstrate the proposing audit firm's understanding of the audit requirements and the audit tests and procedures to be applied in completing the audit plan. The plan should detail the expected number of audit hours by staff level. The proposal should also specify any auxiliary and/or ancillary work proposed for the audit, and the cost of which is included in the proposal.

5. Time Requirements

Detail how the reporting deadline requirements of the audit will be met.

6. Fees

Supply an annual fee for the audit service, inclusive of travel, per diem and all other out-of-pocket expenses, and such auxiliary and/or ancillary work as the proposer may deem necessary for the completion of the audit.

Any charges in excess of the agreed upon annual fee must be negotiated with the Town of Elsmere in advance of their accrual. As noted in section 2, it is expected that if the selected certified public accounting firm performs satisfactorily for the year ending June 30, 2011 audit, it will be engaged to perform the audit for the succeeding two years with the possibility of extending the agreement for an additional two years beyond that. Therefore, the annual fee requested above should be provided for each of the five years.

7. Non-discrimination Clause

Affirm that the firm does not discriminate against any individual because of race, consideration for employment, selection of training, promotion, transfer. Recruitment, rates of pay, or other forms of compensation, demotion, or separation.

8. CONTRACTUAL ARRANGEMENTS

- a. Audit programs, work papers and reports must be retained for a period of three years after the completion of the audit and made available for inspection by the Town of Elsmere or government auditor's requested by them. The proposer also agrees to make work papers available to successor auditors, in the event that a different firm is selected in subsequent years.
- b. Town of Elsmere staff will be available to prepare schedules, trial balances, and provide documentation to assist the auditor to the best of their ability and as their schedules permit during the course of the audit.

9. SUBMISSION OF PROPOSALS

Three copies of your proposal must be submitted to the address indicated in this proposal.

10. SOURCES OF INFORMATION

Please contact Finance Director Mr. Joseph Schulcz at (302) 998-2215 for additional information in regards to the proposal. Previous years Annual Audit Reports are available for inspection upon request.

TOWN OF ELSMERE PROPOSAL FORM

AUDIT SERVICES

Name of Proposer: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Email Address: _____

Telephone: (_____) _____ Fax: (_____) _____

TOTAL AMOUNT OF PROPOSAL \$ _____

The undersigned, by his/her signature, represents that he/she is authorized to bind the Proposer to fully comply with the terms and conditions of the attached Request for Proposal, Specifications, and Special Provisions for the amount(s) shown on the accompanying Proposal sheet(s). By signing below, you have read the entire document and agreed to the terms therein.

Signature of Person Authorized to Sign PROPOSAL

Date of PROPOSAL:

Printed Name and Title of Signer: _____

DO NOT SIGN OR SUBMIT WITHOUT READING ENTIRE DOCUMENT

THIS FORM MUST BE COMPLETED, SIGNED, AND RETURNED WITH PROPOSAL